

23 June 1954

~~SECRET~~

MENDES-FRANCE'S INDOCHINA POLICY

1. Premier Mendes-France is firm on achieving a "satisfactory cease-fire" in Indochina by 20 July.
 - A. He obtained his Assembly majority on 17 June largely by publicly promising to resign if he fails.
 - B. He recognizes that his main interest--an economic reform program--depends on an Indochina settlement because:
 1. His program is technically impossible so long as drain of war continues.
 2. He needs prestige of an Indochina settlement to put program through the Assembly.
- II. Mendes-France's plans for negotiations:
 - A. Will conduct them himself as foreign minister.
 - B. Meets Chou En-lai at Bern on 23 June.
 - C. He hopes that the present nine-power technical discussions on a cease-fire will lead to an agreement permitting the foreign ministers to return to Geneva before 12 July.
 - D. It is not clear what terms he has in mind.
 1. Laniel fears Mendes-France will trade EDC for minor concessions in Indochina.
 - E. Cabinet line-up on EDC (as reported in late April):
 1. More than 1/3 pro-EDC.

SECRET

- a. Faure and Guerin de Beaumont, however, have since publicly favored delay or modification
2. Less than 1/4 opposed.
3. 1/3 undecided.

SECRET